

McBride

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May 18, 1998

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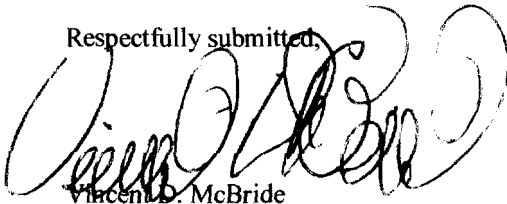
Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
Room 222
1919 M Street, NW
Washington, D.C. 20554

Re: WT Docket No. 97-82
Amendment of the Commission's Rules
Regarding Installment Payment Financing
For Personal Communications Services (PCS) Licensees

Dear Secretary:

I Vincent D. McBride pursuant to Section 1.429(h) of the Commission's rules, 47 C.F.R. 1.429(H) (1996) enclose an original and (15) copies of my attachment to comments I timely filed on May 8, 1998 in referenced to the above. Please kindly date-stamp the Original for filing with your office. You may direct any questions concerning this matter to the undersigned.

Respectfully submitted,



Vincent D. McBride

Enclosures

CC: Honorable William E. Kennard
Honorable Susan Ness
Honorable Harold W. Furchtgott- Roth
Honorable Michael K. Powell
Honorable Gloria Tristani
Ari Fitzgerald, Esquire
David R. Siddall, Esquire
Kevin Martin Esquire
Peter A. Tenhula, Esquire
Karen Gulick, Esquire
Daniel Phythyon, Esquire
Rosalind Allen, Esquire
Kathleen O'Brien Ham, Esquire
Jerome Fowlkes, Esquire
Sandra Daner, Esquire

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC**

May 18, 1998

In the Matter of

WT Docket No. 97-82

Amendment of the Commission's Rules
Regarding Installment Payment
Financing for Personal Communications
Services (PCS) Licensees

To: The Commission

I ask the Honorable Commission to please consider this attachment, along with the comments I have timely filed on May 8, 1998.

COMMENTS

If the Commission is to have a reaction of the C Block licenses, the re-auction could take up to a year or more to start, and would delay service to the American public when you consider all of the petitions, bankruptcies, and appeals, that will be filed. Also the winning bidders would enjoy a new five-year build out date after the re-auction ends, and the five-year build out **clock** will have to start from zero once more. This would mean that small towns all across America would not have competition or new digital PCS services for five years. It could be some time in the year 2005 before towns like Williston ND, total population 13,000 ever sees competition.

This would give the gigantic A and B block auction winners like AT&T, Sprint and the Baby Bells of the world an even bigger head start. I believe the three year head start that the commission has already given them (by having the A and B block auctions first and not after the Entrepreneur's C Block auction) is plenty.

If you consider the low auction prices that the American taxpayer was presented for the WCS and LMDS licenses, some of which sold for as low as one dollar, or the licenses that did not even get a bid. I would not bet on more than 25 cents on the dollar in the re-auction.

Any smart bidder in the re-auction will look at the past bids in the A,B,D,E, & F block auctions in order to interpret the values or prices of the licenses for sale at the re-auction. The fact of the matter is, this value or price is no more than 25% of the C Block net bids. And that would be top dollar. The sad FACT is that the American taxpayer may not even see 10 cents on the dollar. In order for any one to interpret the values, or the prices of the

**Before the
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re-auction, you would throw out the prices in the last C Block auction for one reason and one reason only, over 70% of the net bids in the C Block auction was bogus. In the re-auction the bidders will handicap each market, the way you pick a winning horse at the racetrack. You can't count the last race if the jockey falls off the horse. And so it is, with the C block values, the jockeys fell off the four winning horses, which made \$7Billion in fake bets.

If the Commission believes it will secure more than 25% on the dollar for the American taxpayers, its thinking is candidly misguided. After all we are talking about licenses that are being returned, at a vast loss to the last winners.

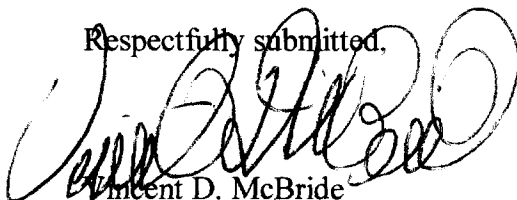
CONSIDERATION s

After the GWI Federal Bankruptcy Court ruling, by Judge Steven A. Felsenthal, this is a no brainer for the Commission. The Commission only has to match the new values given to GWI licenses by the Federal Bankruptcy Courts and Judge Felsenthal to the rest of the C Block companies. Not only will the American taxpayer secure the same dollar amount if not more than it would earn at a re-auction, the Entrepreneur's in the C Block auction will have a very good shot at surviving. At the same time the Commission will meet all the statutory mandates under Section 309(j) of the Telecommunication Act of 1996. Congress will be happy, as well as the American public in small towns all across America ("not just in New York City or Los Angeles") who will enjoy new digital PCS service in less than three years. This is a win-win-win solution.

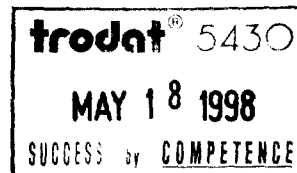
CONCLUSION

I ask the Honorable Commission to hear the small voice in the Entrepreneur's C Block auction, the winners with only one license, please don't punish us for the misbehavior of a few, I ask the Honorable Commission to only do what is fair and right. I ask the Honorable Commission to please do the right thing.

Respectfully submitted,



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News

C-Block Licensees Blast Payment Rules

By Monica Allevan
and Edward Warner

A U.S. Postal Service worker is just one of the C-Block entrepreneurs steamed over a recent federal Texas bankruptcy court decision and the FCC's pending payment options for other licensees.

"The options they have presented are totally useless to us," said Vincent McBride, a letter carrier in Santa Monica, Calif. "These options are mainly for the NextWaves of the world having 63 markets to play with."

McBride, who bid \$463,000 for the Williston, N.D., license, said he and about 43 other bidders represent the truly small businesses for which the C-Block auction was initially designed. Yet the options the FCC has devised are geared toward companies that bid huge amounts.

He and other C-Block bidders submitted comments to the FCC asking regulators to reconsider the June 8 and July 31 deadlines for choosing debt restructuring options and resuming payments, respectively.

McBride said more than 50 percent of the winning bidders represent fewer than 1.75 percent of the total funds bid, and companies such as Pocket Communications Inc., General Wireless Inc. and NextWave Telecom Inc. are getting preferential deals because their bids were so large.

Another licensee, Jerome Vigil, CEO of Loralein Corp. in Hyde Park, Mass., agreed. Vigil, whose firm owes about \$622,000, figures it will cost \$6 million to \$8 million to build out his market for Juneau-Ketchikan, Alaska.

"Everybody should be given the same opportunity," he said. "That's the fair thing."

McBride and his colleagues are not the only C-Block bidders incensed over the Texas bankruptcy court's decision that effectively reduced GWI's obligation from \$954 million to \$166 million.

Unaffiliated with McBride and his colleagues is another group, the C-Block Alliance, which told the FCC it was "premature and harmful to the public interest" to execute the deadlines.

The alliance wants the FCC to apply the same valuation approach established by the GWI bankruptcy court to all C-Block licensees. Or, the commission should defer all payments for five years to allow licensees to

focus on building their networks.

"We're trying to offer solutions to restore integrity," said Steve Kraskin, counsel for the alliance and attorney at Kraskin, Lesse & Cosson LLP in Washington,

D.C. "We would hope that the FCC would do the right thing."

C-Block bidder Jack Robinson, president of National Telecom PCS Inc. in Stamford, Conn., said it would be difficult

for the FCC to give everybody the same deal Pocket received, but certain accommodations should be made. Robinson has been involved in lengthy litigation against Pocket.

NextWave, the winner of the most C-Block licenses, pointed to the court's ruling as well, saying it threw into question "critical assumptions on which [the restructuring rules are] premised and has created a financial down draft," disrupting capital acquisition prospects. ■

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